

\*\*\*\*\*June 24, 2019\*\*\*\*\*

The Signal Mountain Town Council held a regular meeting on Monday, June 24, 2019, at 6:00 p.m. in the Town Hall. Those present were:

Those present were: Mayor Dan Landrum  
Vice Mayor Amy Speak  
Councilmember Bill Lusk  
Councilmember Susannah Murdock (arrived at 6:09 p.m.)  
Councilmember Robert Spalding

Also present were: Town Manager Boyd Veal  
Town Attorney Harry Cash  
Finance Director/Town Recorder Carol White  
See attached list for others present

Mayor Landrum led the pledge of allegiance. A moment of silence was observed.

Mayor Landrum introduced the Council to Adele Pritchard, a Baylor student. He said she is studying government and is particularly interested in zoning regulations and processes.

Vice Mayor Speak told the Council and audience members that comments she made at a previous Council meeting have been taken out of context. She said that she never intended to imply that employees should be grateful for their jobs with the Town. She said she wishes there were some other method to fund employee raises than a property tax increase. Vice Mayor Speak said she apologizes if her comments had offended anyone.

### Minutes

The minutes for the May 3<sup>rd</sup> meeting were presented. There was a minor correction in the spelling of a name that did not affect the substance of the minutes. The minutes were approved as amended.

The minutes for the May 7<sup>th</sup> meeting were presented. There being no changes, the minutes were approved.

The minutes for the May 13<sup>th</sup> meeting were presented. There being no changes, the minutes were approved.

### Citizen Comments

Dick Graham, James Boulevard, complimented Town workers for their quick action making repairs at the Mountain Arts Community Center (MACC) facility. He invited Council members to stop by the MACC facility to explore the improvements the volunteers have made.

Cheryl Graham, James Boulevard, provided the Council with an update of the volunteer hours donated to the MACC facility and listed several rooms that the Signal Mountain Elementary

Preservation Fund (SMEPF) have renovated. Ms. Graham invited the Council members to attend MACC Board meetings.

Valerie Gibson, South Street, also spoke about the improvements at the MACC.

### **Resolutions**

1. "A RESOLUTION AUTHORIZING THE MOUNTAIN ARTS COMMUNITY CENTER (MACC) BOARD TO ENTER INTO A MEMORANDUM OF AGREEMENT WITH THE PRINCIPAL AGENTS OF THE SIGNAL MOUNTAIN ELEMENTARY PRESERVATION FUND (SMEPF), ESTABLISHING PROCEDURES FOR THE SMEPF BOARD HOLDING FUNDS FOR AND ON THE BEHALF OF THE MACC BOARD."

Councilmember Spalding made a motion to approve the resolution. Councilmember Murdock seconded the motion. All present being in favor, the motion was approved.

### **Public Hearing**

#### **FY 2019-2020 Budget**

Mayor Landrum invited comments from the audience.

Mayor Landrum asked Boyd Veal, Town Manager, to address the Council regarding funding of staff raises and the new staff position in the Water Department. Mr. Veal provided the Council with a wage comparison sheet (copy attached). Mr. Veal explained that the data for the chart was obtained from the Municipal Technical Advisory Service (MTAS), Burris, Thompson & Assoc., and contacts directly with local municipalities. He said that while, in many cases the Town wages are more than 5% behind other local municipalities, he chose to limit increases to 5% to allow the Town to afford the increases while still staying close to wages paid by other cities. Councilmember Spalding asked how the salary for the new staff position in the Water Department was determined. Mr. Veal replied that it is based on the salary information provided from the 2016 study by Burris, Thompson & Assoc. Mr. Veal further explained that the \$79,000 annual salary was used by MTAS for the recent water rate study.

Mr. Veal reminded the Council that the entire pay scale for the Town had been revised in 2015-2016 with percentage increases being much larger at that time than those presented in this budget. He also reminded the Council that they have previously instructed staff to do periodic evaluations of the compensation plans in order to stay competitive.

Elizabeth Baker, Carriage Hill, spoke in opposition to raising employee salaries as part of the budget process.

Councilmember Murdock said the proposed personnel changes represent a seismic shift. She asked that these changes be discussed with an active Personnel Committee. Councilmember Speek said she agreed, and that the Council needs to be more conservative.

Mayor Landrum explained that the proposed personnel scale realignment and salary changes were recommended by the Personnel Committee.

Elizabeth Baker, Carriage Hill, presented the Council with a salary study she had completed on the proposed increases for Department Heads (copy attached).

Bruce Brye, Arden Way, spoke in favor of selling the Water Department. Mayor Landrum said that since the Town is keeping the water system, it will get repairs completed faster than either Tennessee American Water (TAW) or Waldens Ridge Utility District (WRUD). Councilmember Spalding said that we have to sell water at a higher price than TAW since we only resell the water purchased from them. Councilmember Spalding said that TAW or WRUD can operate, repair and produce cheaper than the Town can because of their much larger size.

Paul Hendricks, Orchard Path, said he is impressed with the quality of all the Town's staff. He said it is better and cheaper to retain the knowledgebase than it is to hire new employees. He said he encourages the Council to support the pay increases, including the one for the Town Manager.

Council continued to have extensive discussions regarding the proposed FY 2019-2020 budget. Mayor Landrum stated the budget is already smaller than the prior year. Mr. Veal explained that the Town needs to do more than an occasional COLA adjustment to stay competitive and that he feels that the quality of the job done by the Department Heads mandates that they be aligned properly with the newest staff position.

Phillip Layman, Bugle Call Way, spoke in opposition to the proposed budget and asks that the Council find further cuts in the budget.

Tom Francescon, Crown Point Road West, spoke in opposition to the proposed water rate and property tax increases.

Dun Monroe, Cherokee Lane, asked the Council to look for additional cuts to the proposed budget.

Paul Toth, Ridgerock Drive, expressed his support for an increased fee for solid waste rather than a property tax increase. In addition, he asked for clarification as to the need for an increase in the solid waste fund. Mr. Veal explained that the Town has had a substantial increase in the costs to haul and dispose of solid waste.

Melissa Cantrell, South Drive, spoke in opposition to selling the water system. She expressed concern over the need for increased rates to support the budget.

Alicia Toth, Ridgerock Drive, asked the Council to find ways to cut the budget.

Anne Hagood, James Boulevard, spoke in opposition to selling the water system.

Council held discussions regarding the pros and cons of selling the water system.

Bruce Brye, Arden Way, spoke in favor of selling the water system.

Elizabeth Baker, Carriage Hill, asked the Council to end discussions about the water system.

Daphne Kirksey, Applewood Circle, spoke in favor of selling the water system. She asked if a determination has been reached about increasing stormwater fees. Mr. Veal replied that this issue is still being reviewed by staff.

Dick Graham, James Boulevard, asked the Council to end discussions about the water system. He spoke in favor of COLA increases for employees.

Denise Thomas, Timberlinks Drive, asked what other methods the Town has to raise revenue. Vice Mayor Speek said the Town can raise non-resident fees and contract with Unincorporated Hamilton County (UHC) and Walden. Councilmember Murdock said the town could stimulate commercial growth by investing in sidewalks, bike paths, and places for people to congregate. She said the added commercial growth will generate more tax revenue than a property tax increase. Ms. Thomas asked the Council to find a way to generate more revenue for future years.

There being no further public comment, the meeting was resumed.

### **Ordinances**

1. "AN ORDINANCE OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE ADOPTING THE ANNUAL BUDGET AND TAX RATE FOR THE FISCAL YEAR BEGINNING JULY 1, 2019 AND ENDING JUNE 30, 2020 HEREINAFTER KNOWN AS THE "FY 2019-2020 BUDGET ORDINANCE".

Council discussed the impact of the new staff position in the water department and the impact of COLA pay increases. Councilmember Murdock said she is not comfortable giving larger increases, but believes that 5% is generous. Mr. Veal said the proposed realignment of the pay plan is not about generosity but is about retention by paying fair market wages and fairly compensating the Town's excellent workers.

Mayor Landrum made a motion to accept the budget on second read, but to take out the revenue neutral Youth Recreation Coordinator and to cap employee raises at 5%. It was determined that, being a second reading of the Ordinance, those changes could not be made and the motion failed for lack of a second.

Vice Mayor Speek listed several expenditure items contained in the proposed budget she recommended be eliminated. She suggested raising the non-resident fees an additional \$50.00 across the board. Mr. Veal agreed that non resident fees should be adjusted, but stated that the establishment of the appropriate increase could not be determined and approved in advance of action on the budget.

Mayor Landrum made a motion to put a 5% cap on raises, remove the Youth Recreation Coordinator position and to recalculate the property tax increases needed based on these changes and prepare a new budget ordinance for the first Council meeting in July. Councilmember Lusk seconded the motion. All present being in favor, the motion was approved.

2. "AN ORDINANCE TO TEMPORARILY CONTINUE THE FISCAL YEAR 2018-2019 ANNUAL OPERATING BUDGET OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE FOR FISCAL YEAR 2019-2020."

Councilmember Lusk made a motion to approve the second reading of the ordinance. Mayor Landrum seconded the motion. All present being in favor, the ordinance was approved on the second reading.

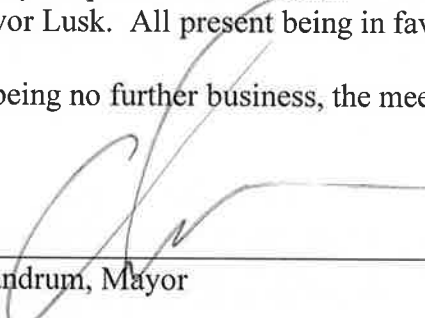
3. "AN ORDINANCE TO AMEND ORDINANCE NUMBERS 2018-08 AND 2019-01, ENTITLED THE "FY 2018-2019 BUDGET ORDINANCE," SO AS TO PROVIDE FOR CERTAIN ADDITIONAL REVENUES AND EXPENDITURES IN THIS BUDGET YEAR."

Councilmember Murdock made a motion to approve the second reading of the ordinance. Councilmember Lusk seconded the motion. All present being in favor, the ordinance was approved on the second reading.

#### **Other Business**

Vice Mayor Speek made a motion to table the rest of the agenda items. The motion was seconded by Mayor Lusk. All present being in favor, the motion was approved.

There being no further business, the meeting was adjourned.

  
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Dan Landrum, Mayor  
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Recorder